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DEPARTMENT OF EDUCATION

Performance Partnership Pilots for Disconnected Youth

[Docket ID ED-2014-OCTAE-0106]

AGENCY: Office of Career, Technical, and Adult Education,
Department of Education.

ACTION: Request for public comment.

SUMMARY: The Secretary invites written comments on the implementation of Performance Partnership Pilots for Disconnected Youth, which will offer a unique opportunity for States, localities, and tribes to test innovative, cost-effective, and outcome-focused strategies for improving results for disconnected youth. Working with other Federal agencies, the U.S. Department of Education (Department) will solicit applications for these pilots. Through this notice, the Department seeks input on the application process that we intend to use.

DATES: We must receive your comments by [INSERT DATE 7 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit your comments through the Federal eRulemaking Portal or via U.S. mail, commercial delivery, or hand delivery. We will not accept comments by fax or by email or those submitted after the comment period. To ensure that we do not receive duplicate copies, please

submit your comments only once. In addition, please include the Docket ID and the term "Performance Partnership Pilots" at the top of your comments.

If you are submitting comments electronically, we strongly encourage you to submit any comments or attachments in Microsoft Word format. If you must submit a comment in Portable Document Format (PDF), we strongly encourage you to convert the PDF to print-to-PDF format or to use some other commonly used searchable text format. Please do not submit the PDF in a scanned or read-only format. Using a print-to-PDF format allows the Department of Education (Department) to electronically search and copy certain portions of your submissions.

- Federal eRulemaking Portal: To submit your comments electronically, go to www.regulations.gov. Information on using Regulations.gov, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under "Are you new to the site?"

- U.S. Mail, Commercial Delivery, or Hand Delivery:
If you mail or deliver your comments, address them to Braden Goetz, U.S. Department of Education, 550 12th Street SW., room 11141, Potomac Center Plaza (PCP), Washington, DC 20202. Please note that mail sent through the U.S. Mail is

subject to X-ray or heat treatment, which typically results in delays and may damage paper products.

Privacy Note: The Department's policy for comments received from members of the public (including comments submitted by mail, commercial delivery, or hand delivery) is to make these submissions available for public viewing in their entirety on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available on the Internet.

FOR FURTHER INFORMATION CONTACT: Braden Goetz, U.S. Department of Education, 550 12th Street SW., room 11141, PCP, Washington, DC 20202. Telephone: (202) 245-7405 or by email at: Braden.Goetz@ed.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION

Performance Partnership Pilots for Disconnected Youth (P3) offer a unique opportunity to test innovative, cost-effective, and outcome-focused strategies for improving results for disconnected youth. Through these pilots, we hope to learn more about whether providing additional flexibility for States, localities, and Indian tribes to

pool funds and waive programmatic requirements will help them overcome some of the significant hurdles they may face in improving outcomes for disconnected youth.

The Consolidated Appropriations Act, 2014 (Pub. L. 113-76) (the Act), under Section 526 of Division H, authorizes the Departments of Education, Labor, and Health and Human Services, along with the Corporation for National and Community Service and the Institute of Museum and Library Services (collectively, the Agencies), to enter into a total of up to ten Performance Partnership Agreements with States, localities, or tribal governments receiving funds under multiple Federal programs that give grantees additional flexibility in using these funds to achieve significant improvement in outcomes for disconnected youth. In the Act, "'to improve outcomes for disconnected youth' means to increase the rate at which individuals between the ages of 14 and 24 (who are low-income and either homeless, in foster care, involved in the juvenile justice system, unemployed, or not enrolled in or at-risk of dropping out of an educational institution) achieve success in meeting educational, employment, or other key goals." (Section 526(a)(2) of Division H of the Act). We describe significant elements of these pilots in the following paragraphs.

Blending Funds

The P3 pilots are designed to facilitate flexible use of existing Federal funding streams that were made available under the Act. The theory of action behind P3 is that blending funds should reduce administrative burdens, and thereby enhance pilot sites' capability to effectively use resources from multiple Federal, State, tribal, local, and philanthropic funding streams, such as by enabling pilot sites to better align project objectives, delivery of services, measurement strategies, and reporting.

The pilots must involve Federal programs focused on serving disconnected youth or designed to prevent youth from disconnecting from school or work, and that provide education, training, employment, and other related services. Thus, under the Act, States, localities, and tribes that enter into a P3 agreement may blend fiscal year (FY) 2014 discretionary funds, including both formula and competitive grant funds, from the Agencies in order to implement outcome-focused strategies for serving disconnected youth. This blending of funds, including individual funding streams, or portions of them, will be accomplished under a partnership agreement that will provide for a single set of reporting and other requirements to govern the pilot. This single set of

requirements may differ from the various requirements associated with each of the original, individual funding streams.

Before any of the Agencies can participate in a Performance Partnership Pilot, the agency head must determine, in writing, that the agency's participation in the pilot (1) will not result in denying or restricting the eligibility of any individual for any of the services that (in whole or in part) are supported by the agency's programs and Federal discretionary funds that are involved in the Pilot, and (2) based on the best available information, will not otherwise adversely affect vulnerable populations that receive those services.

The Agencies have identified flexible FY 2014 funds under existing authorities that the Department will award as start-up grants. These grants, which will likely be several hundred thousand dollars each, will help to support each pilot's start-up costs, such as activities related to planning, governance, and coordination. Applicants will describe in their proposals how they will use these funds, along with the funds the applicants propose to blend under the Performance Partnerships authority, to develop and implement high-quality Performance Partnership Pilots to improve outcomes for disconnected youth.

Waivers

In order to provide applicants with the flexibility required to implement a pilot through the effective blending of Federal and non-Federal funds, the Act provides that the Agencies may waive requirements associated with individual programs contributing funds. P3 authority states that heads of the Agencies may not only exercise any existing waiver authority, but also waive any statutory, regulatory, or administrative requirement that they are otherwise not authorized to waive, so long as the waiver is in keeping with important safeguards. Specifically, waivers must be consistent with the statutory purposes of the respective Federal programs contributing funds to the pilot and necessary to achieve the pilot's outcomes. In addition, the Agencies may not waive requirements related to nondiscrimination, wage and labor standards, and allocation of funds to State and substate levels.

In practice, P3 waiver authority should enable applicants to take a more outcome-focused approach to providing services by: first, identifying the population to be served; second, determining the most effective strategies for serving that population; third, selecting funding streams appropriate to support those strategies; and, lastly, clarifying which program rules and

requirements would need to be waived in order to implement the strategies. The waiver authority will allow communities and the Federal government to identify eligible youth and design the allowable activities and reporting requirements so that they support the locally determined goals and objectives of the pilot.

Performance Partnership Agreements

Each pilot will be governed by a performance agreement between a lead Federal agency, which will be designated by the Office of Management and Budget and will act on behalf of the Agencies, and the respective representatives of all of the State, local, or tribal governments participating in the pilot.

Limitations

The Act does not provide authority for pilots to blend funding or waive provisions of Federal programs funded with mandatory appropriations (such as Temporary Assistance for Needy Families or Medicaid). However, the performance agreements must identify any statutory, regulatory, or administrative requirements related to programs funded with mandatory appropriations that pilot sites determine would be barriers to achieving the pilot's outcomes. Pilots also do not extend to programs funded outside of the Act, such as those administered by the Department of Justice and the

Department of Housing and Urban Development. However, pilot jurisdictions may seek waivers or administrative flexibility already authorized under programs administered by these other agencies in order to improve their coordination and alignment with the pilot project.

Request for Public Comment

The Agencies consider public input critical to the effective implementation of the P3 authority. In June 2012, the Department published a Request for Information on Disconnected Youth in the Federal Register (77 FR 32959) (RFI) seeking public input regarding the implementation of the authority, which was first proposed by the Administration in the FY 2013 budget request.¹ The 171 comments the Department received in response to the RFI emphasized the need for greater flexibility, highlighted promising initiatives, and offered recommendations for effectively serving disconnected youth and administering P3. The responses helped inform our thinking about how best to implement this new authority.

On April 28, 2014, the Agencies issued a consultation paper, Changing the Odds for Disconnected Youth: Initial Design Considerations for Performance Partnership Pilots, that provides background information about the pilot

¹ The Request for Information on Disconnected Youth can be found at www.gpo.gov/fdsys/granule/FR-2012-06-04/2012-13473.

authority and describes the Agencies' initial thinking about the implementation of the authority.² The paper also encouraged stakeholders to respond by email to key questions about implementing P3 pilots. The Agencies also used their research and analysis for the paper to guide two national webinars on April 21 and 30, 2014 that provided information to the field and solicited feedback about the implementation of the authority.³

The consultation paper indicated that the Agencies were considering a two-step application process that would first seek brief preliminary applications and then invite full proposals from the strongest candidates. Since the publication of the consultation paper, the Agencies have decided instead to require applicants to submit one full proposal through a single-step process. This change will enable applicants to have more time to prepare their proposals.

Later this summer, the Department, acting on behalf of the Agencies, expects to publish a notice inviting

²This consultation paper, Answers to Frequently Asked Questions, and other information about the Performance Partnership Pilots authority can be found at www.findyouthinfo.gov/youth-topics/reconnecting-youth/performance-partnership-pilots

³Recordings of the webinars can be found at <http://www.findyouthinfo.gov/youth-topics/reconnecting-youth/performance-partnership-pilots/webcast>

applications. While under the Administrative Procedure Act (5 U.S.C. 553) the Department generally offers interested parties the opportunity to comment on proposed priorities, definitions, and other requirements for a grant competition, the Department plans to waive rulemaking requirements for this new program, pursuant to its authority in section 437(d)(1) of the General Education Provisions Act (GEPA). Section 437(d)(1) of GEPA allows the Secretary to exempt from rulemaking requirements and regulations governing the first grant competition under a new or substantially revised program authority. Because this is the first grant competition for the Performance Partnership Pilots, it qualifies for this exemption. Therefore, in order to expedite the selection of the entities that will be awarded P3 authority and start-up grant funding, the Department plans to forego public comment on the priorities, definitions, and requirements that will apply to the P3 competition.

However, through this notice, we are seeking additional public input on the application process for P3. The Agencies will consider all relevant comments when finalizing the P3 application process and competition design.

Note: This request for public comment is for information and planning purposes only and should not be construed as a solicitation for applications or as an obligation on the part of the Agencies.

We are particularly interested in responses to the following questions:

1. What information, in addition to the information required by the Act, should entities be required to submit in their applications?

2. What criteria should the Agencies use to evaluate applications?

3. What technical assistance would be helpful to entities in preparing their applications?

Note: The consultation paper includes additional background information about P3 and the Agencies' initial thinking about its implementation that may be helpful in considering these questions.

Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print, audiotape, or compact disc) on request to the program contact person listed under FOR FURTHER INFORMATION CONTACT.

Electronic Access to This Document: The official version of this document is the document published in the Federal

Register. Free Internet access to the official edition of the Federal Register and the Code of Federal Regulations is available via the Federal Digital System at: www.gpo.gov/fdsys. At this site, you can view this document, as well as all other documents of the Departments published in the Federal Register, in text or Adobe Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site. You may also access documents of the Departments published in the Federal Register by using the article search feature at: www.federalregister.gov. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Departments.

Authority: Section 526, Division H of P.L. 113-76.

Dated: July 28, 2014.

Johan E. Uvin,
Acting Assistant Secretary for
Career, Technical, and Adult
Education.

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